Debt Management

As set forth in the City's Comprehensive Improvement Element (CIE), the City shall manage debt issuance and obligations according to sound public fiscal management principles so that the City is able to provide needed capital improvements and maintain services at adopted levels of service (LOS).

Criteria for Managing Debt Financing:

The City does not have legal debt limits or utilize specific debt ratios such as the limitation on the use of revenue bonds as a percent of total debt; the maximum ratio of total debt service to total revenue; and the maxiumum ratio of outstanding capital indebtedness to property tax base. Instead each debt issuance is evaluated on an individual basis giving consideration to the following factors:

- type of facility being financed
- significance of the annual debt service requirement
- favorable impact to the City
- economic capacity of the City
- overlapping debt which depends on the same economic base
- projected City growth rate.

Criteria in Selecting Revenues to Finance Public Facilities:

To the extent possible, the following revenues are to be utilized to finance public facilities. (listed in order of priority and preference):

- Grants or other intergovernmental sources
- Developer contributions (inclusive of dedicated land and impact fees)
- User revenues (inclusive of charges for services, local option gas tax, etc.)
- Sales tax (local option infrastructure surtax)
- Debt Financing
- Ad valorem property taxes

Since some sources are not appropriate or legally available for a particular purpose, the above list is advisory in nature and not to be construed as an obligation.

The City has entered into capital lease agreements for the acquisition of police vehicles.The following pages summarize the debt service requirements exclusive of the capital lease. Please see the footnotes for specific information relative to each debt instrument.

Annual Debt Service Requirements to Maturity

	Fund #182 TLBD Special Assessment Revenue Bonds [1] Series 2001 Wachovia $2,265,000		Fund #206 Improvement Refunding Revenue Bonds [2] Series 2003 Wachovia $8,870,000		Fund #215 Improvement Refunding Revenue Bonds [2] Series 1999 Suntrust $8,000,000		Fund #225 Limited General Obligation Bonds [3] Series 2002 Wachovia $3,400,000	
Year Ending 9/30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	$55,000	$99,725	$625,000	$251,723	$55,000	$86,085	$75,000	$148,433
2010	$55,000	$97,278	$645,000	$235,041	$75,000	$82,993	$75,000	$145,508
2011	$55,000	$94,830	$660,000	$216,273	$95,000	$78,865	$80,000	$142,508
2012	$60,000	$92,271	$685,000	$196,098	$115,000	$73,605	$85,000	$139,208
2013	$65,000	$89,458	$700,000	$174,448	$135,000	$67,230	$85,000	$135,638
2014	$65,000	$86,370	$725,000	$150,385	$150,000	$59,850	$90,000	$131,069
2015	$70,000	$83,029	$750,000	$125,698	$175,000	$51,319	$95,000	$126,231
2016	$70,000	$79,564	$775,000	$100,910	$195,000	$41,606	$100,000	$121,125
2017	$75,000	$75,975	$800,000	$74,523	$210,000	$30,975	$105,000	$115,750
2018	$80,000	$72,069	$825,000	$46,279	$235,000	$19,294	$115,000	$110,500
2019	$85,000	$67,841	$855,000	$15,818	$250,000	$435,122	$120,000	$104,750
2020	$90,000	$63,356			$417,881	$869,161	$125,000	$98,750
2021	$90,000	$58,744			$393,797	$892,220	$130,000	$92,500
2022	$95,000	$53,944			$371,765	$913,671	$135,000	$86,000
2023	$100,000	$48,825			$350,893	$933,989	$145,000	$79,250
2024	$105,000	$43,444			$331,130	$953,228	$150,000	$72,000
2025	$115,000	$37,669			$312,413	$971,066	$160,000	$64,500
2026	$120,000	$31,500			$295,456	$987,934	$165,000	$56,500
2027	$125,000	$25,069			$278,677	$1,003,903	$175,000	$48,230
2028	$130,000	$18,375			$263,517	$1,018,999	$185,000	$39,500
2029	$140,000	$11,288			$248,485	$1,033,279	$195,000	$30,250
2030	$145,000	$3,806			$234,957	$520,022	$200,000	$20,500
2031							$210,000	$10,500
	$1,990,000	$1,334,430	$8,045,000	$1,587,196	$5,188,970	$11,124,416	$3,000,000	$2,119,200

[1] The TLBD Debt Service Fund underwent a reforecast by Government Services Group which slightly increased the annual assessment in fiscal year 2008 for the purpose of meeting this bond obligation. The new legal maximum for the annual capital assessment has been established at $43.00 per ERU through fiscal year 2012.

[2] The Public Communication Services Tax and Electric Franchise Fee Funds have been established to pay debt service expenses related to the Improvement Refunding Revenue Bonds, Series 1999 and 2003. The maturity dates for Series 2003 are from 10/1/04 to 10/1/18, for Series 1999 the maturity dates are from 10/1/99 to 10/1/29. Anticipated revenues from these funds are expected to be more than sufficient for the debt service requirements.

[3] The Limited General Obligation Bonds are payable from and secured by a pledge of the faith, credit and taxing power of the City up to one quarter mil. The preliminary property tax valuation from the Seminole County Property Appraiser represents an approximate 9% decrease from the prior year. As a result, the voted debt millage rate will require a slight increase from 0.1022 mills to 0.1100 mills in order to provide sufficient coverage for the 2008-2009 debt service requirements.

Annual Debt Service Requirements to Maturity

Year Ending	Fund #401-3600 Water & Sewer Refunding Revenue Bonds[1] Series 2000 Wachovia $6,969,191		Fund #401-3600 Water & Sewer Refunding Revenue Bonds[1] Series 2001 Wachovia $6,065,000		Fund #401-3600 Water & Sewer Refunding Revenue Bonds[1] Series 2002 Wachovia $13,980,000		TOTAL WATER & SEWER		
9/30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	TOTAL
2009	$60,000	$156,303	$255,000	$214,390	$675,000	$480,830	$990,000	$851,523	$1,841,523
2010	$65,000	$153,453	$270,000	$203,871	$700,000	$452,893	$1,035,000	$810,217	$1,845,217
2011	$70,000	$150,203	$275,000	$192,396	$725,000	$423,049	$1,070,000	$765,648	$1,835,648
2012	$65,000	$146,703	$300,000	$180,296	$760,000	$391,018	$1,125,000	$718,017	$1,843,017
2013	$75,000	$143,388	$310,000	$166,646	$795,000	$356,505	$1,180,000	$666,539	$1,846,539
2014	$85,000	$139,563	$320,000	$152,308	$830,000	$319,528	$1,235,000	$611,399	$1,846,399
2015	$80,000	$135,100	$345,000	$137,268	$865,000	$277,731	$1,290,000	$550,099	$1,840,099
2016	$90,000	$130,900	$355,000	$120,708	$910,000	$231,138	$1,355,000	$482,746	$1,837,746
2017	$95,000	$125,950	$375,000	$103,313	$965,000	$183,125	$1,435,000	$412,388	$1,847,388
2018	$100,000	$120,725	$390,000	$84,750	$1,010,000	$133,750	$1,500,000	$339,225	$1,839,225
2019	$105,000	$115,225	$415,000	$65,250	$1,060,000	$82,000	$1,580,000	$262,475	$1,842,475
2020	$115,000	$109,450	$435,000	$44,500	$1,110,000	$27,750	$1,660,000	$181,700	$1,841,700
2021	$397,498	$1,045,627	$455,000	$22,750			$852,498	$1,068,377	$1,920,875
2022	$522,638	$1,455,488					$522,638	$1,455,488	$1,978,126
2023	$490,931	$1,487,194					$490,931	$1,487,194	$1,978,125
2024	$460,950	$1,517,175					$460,950	$1,517,175	$1,978,125
2025	$432,638	$1,545,488					$432,638	$1,545,488	$1,978,126
2026	$405,919	$1,572,206					$405,919	$1,572,206	$1,978,125
2027	$382,688	$1,595,438					$382,688	$1,595,438	$1,978,126
2028	$360,788	$1,617,338					$360,788	$1,617,338	$1,978,126
2029	$340,144	$1,637,981					$340,144	$1,637,981	$1,978,125
2030	$1,875,000	$103,125					$1,875,000	$103,125	$1,978,125
	$6,674,191	$15,204,023	$4,500,000	$1,688,446	$10,405,000	$3,359,317	$21,579,191	$20,251,786	$41,830,977

1 All the Water and Sewer bonds are revenue bonds. As such the City has pledged the revenue derived from the acquired or constructed assets to pay the debt service. A look at the total annual bond requirements for this utility reflects a level annual requirement. In July 2008, a rate study was initiated. Any warranted rate changes would be implemented in fiscal year 2009. This fund does not have issues with cash flow and continues to have fund equity in excess of the target fund equity of 25% of operating expenses.

Annual Debt Service Requirements to Maturity

	Fund #192 Capital Improvement Revenue Note [1] Series 2004A $575,907		Fund #213 Special Assessment Revenue Note [2] Series 2006 $430,000		Fund #230 Capital Improvement Revenue Note [3] Series 2004 $2,500,000 maximum line	
Year Ending 9/30	Principal	Interest	Principal	Interest	Principal	Interest
2009	$35,270	$16,730	$18,533	$12,146	$40,000	$39,500
2010	$369,899	$16,398	$19,293	$11,386	$45,000	$37,500
2011	July 1, 2010 entire balance due; successor debt instrument yet to be determined		$20,084	$10,595	$45,000	$35,250
2012			$20,908	$9,771	$45,000	$33,000
2013			$21,765	$8,914	$50,000	$30,750
2014			$22,657	$8,022	$50,000	$28,250
2015			$23,586	$7,093	$55,000	$25,750
2016			$24,553	$6,126	$55,000	$23,000
2017			$25,560	$5,119	$60,000	$20,250
2018			$26,608	$4,071	$65,000	$17,250
2019			$27,699	$2,980	$65,000	$14,000
2020			$28,834	$1,845	$70,000	$10,750
2021			$16,156	$662	$70,000	$7,250
2022					$45,000	$3,750
	$405,169	$33,128	$296,236	$88,730	$760,000	$326,250

[1] This note series was issued in 2004 to refinance series 2000B and to finance additional landscaping and irrigation along the Oak Forest subdivision wall. The City covenants to designate payments received from Oak Forest special assessments to pay the debt service on this note. This note is payable interest only at 4.22% until July 1, 2010 when the entire balance is due. The Oak Forest Debt Service Fund recently underwent a reforecast by Government Services Group which slightly increased the annual assessment for the purpose of meeting this obligation and its successor. The new legal maximum for the annual capital assessment has been established at $72.00 per ERU through fiscal year 2012. In 2008-2009 additional principal reduction is anticipated in the amount of $20,000.

[2] The City issued this Special Revenue Note to provide financing for the Tuscawilla Lighting and Beautification Project, Phase II. Prepayments in 2006 were utilized to retire principal of $93,400. Additional principal of $6,700 and $10,700 was retired in fiscal years' 2007 and 2008, respectively. The new legal maximum for the annual capital assessment has been established at $17.00 per ERU through fiscal year 2012.

[3] The City had a $2,500,000 line of credit with SunTrust which is now closed. The variable interest rate is tied to the LIBOR. Principal payments commence on June 1st. The only outstanding draw was $750,000 for the Senior Center Therapy Pool which occurred in fiscal year 2008. The approximate $80,000 annual debt service budget is to come via transfer from the General Fund until such time as the Parks Impact Fee Fund has sufficient revenue to pay off the principal in whole or in part. The schedule above reflects a 15-year amortization and semi-annual payments at 5%.